

## Message Text

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FOLLOWING REPEATS PARIS 30286 ACTION DEPT DEC 17TH

QUOTE

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AIDAC

E.O. 11652: N/A

SUBJECT: FRENCH VIEWS ON A SAHEL FUND

IN DISCUSSIONS WITH AUDIBERT, DAA/AFR BROWN REVIEWED US UNDERSTANDING OF DONOR/CILSS VIEWS ON PLANNING FOR A DAC MEETING WITH REGARD IMPROVEMENT DONOR COORDINATION FOR SAHEL DEVELOPMENT PROGRAMS. BROWN INFORMED AUDIBERT OF DAKOURE REACTION REPORTED BY SEPTTEL FROM OUAGADOUGOU AS WELL AS US DISCUSSIONS WITH VARIOUS DONORS. AUDIBERT INDICATED HE HAD ALSO DISCUSSED MATTER WITH FED WHICH AT FIRST HAD SOME QUESTIONS RE NEED GO IN THIS DIRECTION BUT WHICH IN THE END ACCEPTED DESIRABILITY OF APPROACH THROUGH DAC. AUDIBERT ALSO NOTED AS HAD WE THAT SWEDISH GOVERNMENT HAD BEEN RETICENT ABOUT DAC APPROACH SINCE THEY PREFERRED WORKING THROUGH UN INSTITUTIONS BUT IT NOW AUDIBERT'S UNDERSTANDING SWEDES WILL INTERPOSE NO LIMITED OFFICIAL USE

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OBJECTIONS TO DAC MEETING.

IN COURSE DESCRIBING OUR CONTACTS WITH VARIOUS DONORS, BROWN INDICATED WE HAD RAISED QUESTION OF FORMATION SOME TYPE COMMON FUNDING ARRANGEMENT AS POSSIBLE OUTCOME OF DONOR COORDINATION. IT WAS CLEAR FROM THESE DISCUSSIONS THAT KEY DONORS ALL ANTICIPATED CONTINUATION THEIR BASIC BILATERAL PROGRAMS, PARTICULARLY AT NATIONAL LEVEL. THERE SEEMED TO BE GENERAL FEELING AMONG DONORS, HOWEVER, THAT THERE EXISTED NUMBER OF MAJOR INVESTMENT PACKAGES WHICH WOULD NOT EASILY FIT WITHIN BILATERAL PROGRAMS. THE UNITED STATES THEREFORE SAW POTENTIAL USEFULNESS OF SOME FORM JOINT FUNDING ARRANGEMENTS WHICH MIGHT GO BEYOND REGULAR BILATERAL PROGRAMS TO COVER MAJOR INVESTMENTS IN WATER DEVELOPMENT, TRANSPORT AND COMMUNICATIONS. THIS PARTICULARLY IMPORTANT TO US BECAUSE OF CONGRESSIONAL PREFERENCE FOR WORKING THROUGH MULTILATERAL CHANNELS ON MAJOR INVESTMENT PROGRAMS.

AUDIBERT REPLIED THAT FRANCE IS GENERALLY NEGATIVE REGARDING SPECIAL FUNDS. ONLY SITUATION IN WHICH FRANCE LOOKS FAVORABLY ON SPECIAL FUND IN WHICH IT PARTICIPATING IS ONCHOCERCIASIS CONTROL PROGRAM. FRENCH ALSO PARTICIPATING MODESTLY IN DONOR CONSORTIUM LED BY IBRD ON INTERNATIONAL RESEARCH INSTITUTIONS, BUT HAVE REPEATEDLY EXPRESSED THEIR DISSATISFACTION REGARDING POLICIES DETERMINING APPLICATION OF FUNDS. AUDIBERT EXPRESSED CONCERN OVER WHAT WOULD BE ORGANIZATIONAL STRUCTURE TO ADMINISTER ANY FUND, INDICATING RESERVATION ABOUT TURNING MANAGEMENT OVER TO IBRD, BUT NOT PROPOSING AN ALTERNATE INSTITUTIONAL CONCEPT. HE ALSO NOTED THAT IN CASE OF ONLY MAJOR INVESTMENT PACKAGE NOW READS TO PROCEED, I.E., OMVS, DONORS SEEMED TO HAVE FOUND MEANS FOR MAKING FUND COMMITMENTS DIRECTLY WITHOUT PASSING THROUGH ANY FUND MECHANISM. HE ADDED COMMENT THAT ORGANIZATIONS LIKE FED AND IBRD, BY THEIR NATURE AS FUND ADMINISTRATIONS, MAY HAVE DIFFICULTY CONTRIBUTING TO A SEPARATE FUND.

BROWN NOTED THERE WERE OTHER MAJOR INVESTMENT PROGRAMS WHERE SPECIAL FUNDS HAD PROVED HIGHLY USEFUL, SUCH AS LIMITED OFFICIAL USE

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INDUS BASIN. HE NOTED THAT EVEN IN CASE OF OMVS, DONORS HAD MADE COMMITMENTS TO SPECIFIC PIECES OF TOTAL PACKAGE BUT HAD A NUMBER OF RESERVATIONS ON VARIOUS ASPECTS OF HOW OMVS WAS PROCEEDING. AS A RESULT, DESPITE SUBSTANTIAL FUNDING COMMITMENTS, THE PROGRAM IS NOT MOVING FORWARD. IF MECHANISM EXISTED FOR SPECIAL FUNDING, THIS COULD SERVE AS FOCAL POINT FOR DEALING WITH VARIOUS DONOR AND OMVS CONCERNS ON STRUCTURE AND

ORGANIZATION AND COULD ALSO APPLY FINANCING AVAILABLE TO COHERENT PROGRAMMING OF IMPLEMENTABLE PARTS OF TOTAL PACKAGE. IN CASE OF OTHER POTENTIAL INVESTMENT PACKAGES, SUCH AS NIGER AND LAKE CHAD BASINS, EXISTENCE OF SOME FORM OF ASSURED INVESTMENT PACKAGE WOULD GIVE GREATER URGENCY TO ASSURING PLANNING PROCESSES ARE PROPERLY UNDERTAKEN.

AUDIBERT AGREED THAT UNDER PRESENT CIRCUMSTANCES, OMVS WAS NOT ABLE MOVE FORWARD EFFECTIVELY AND DONORS WERE NOT ABLE INDICATE IN COHESIVE AND CONSISTENT FASHION THE KINDS OF PROBLEMS THEY PERCEIVED IN OMVS DEVELOPMENTS. EQUALLY HE FULLY AGREED THAT IT WOULD BE DESIRABLE FIND MECHANISMS FOR GIVING GREATER DYNAMISM TO ADDITIONAL PLANNING NEEDED. BUT SOMEHOW THIS WOULD HAVE TO BE DONE IN A FRAMEWORK TAKING INTO ACCOUNT FRANCE'S BASIC RESERVATIONS ON ORGANIZING A SPECIAL FUND.

BROWN INDICATED THE US HAD NO FIXED IDEAS ON THIS MATTER. WE CONSIDERED THE PROBLEM IMPORTANT AND HOPED THAT THE DAC DISCUSSIONS COULD EVENTUALLY LEAD TO SOME STRUCTURES THAT COULD DEAL WITH IT. HOWEVER, OUR VIEWS ON WHAT THESE STRUCTURES SHOULD BE WOULD OBVIOUSLY HAVE TO TAKE INTO ACCOUNT VIEWS AND LIMITATIONS EXPRESSED BY OTHER PARTICIPANTS IN INITIAL DONOR MEETING.  
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